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## SUBRECIPIENT VS. CONTRACTOR CHECKLIST

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**PURPOSE:** The following checklist will help determine whether the agreement between a VSC institution and a third party receiving federal funds should be considered a subaward or a contract, as defined by Uniform Guidance, 2 CFR 200.330.

**DEFINITIONS:** A subrecipient is a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program (2 CFR 200.93). A contractor is an entity that receives a contract (2 CFR 200.23).

**INSTRUCTIONS:** Complete Sections 1 and 2 by marking all characteristics that apply to the outside entity. The section with the greatest number of marked characteristics indicates the likely type of relationship the entity will have with the VSC institution. On occasion there may be exceptions to the type of relationship indicated by the checklist. In these situations, the substance of the relationship should be given greater consideration than the form of agreement between the VSC institution and the outside entity. Section 3 should be used to provide documentation on the use of judgment in determining the proper relationship clarification.

Name of PI: \_\_\_\_\_ Name of VSC institution: \_\_\_\_\_

Name of entity receiving funds: \_\_\_\_\_

### SECTION 1: Subrecipient

A subaward is for the purpose of carrying out a portion of a federal award and creates a federal assistance relationship between the VSC institution and the subrecipient. (Uniform Guidance, 200.330)

A subrecipient: *(check all that apply for the entity receiving funds from your institution)*

- Determines who is eligible to receive federal assistance
- Has its performance measured in relation to whether objectives of a federal program were met
- Has responsibility for programmatic decision making
- Uses federal funds to carry out a program for a public purpose as opposed to providing goods or services for the pass-through entity

*Entities that include these subrecipient characteristics are responsible for adherence to applicable federal program requirements specified in the federal award.*

### SECTION 2: Contractor

A contract is for the purpose of obtaining goods and services for the VSC institution's own use and creates a procurement relationship between the VSC institution and the third party contractor. (Uniform Guidance, 200.22)

A contractor: *(check all that apply for the entity receiving funds from your institution)*

- Provides the goods and services within normal business operations
- Provides similar goods or services to many different purchasers
- Normally operates in a competitive environment
- Provides goods or services that are ancillary to the operation of the federal program

*Entities that include these contractor characteristics are not subject to compliance requirements of the federal programs as a result of their agreement.*

**FINAL DETERMINATION:**

- Subrecipient
- Contractor

**OPTIONAL – SECTION 3: Use of Judgment**

In determining whether an agreement between a VSC institution and another non-federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed above may not be present in all cases, and the PI must use judgment in classifying each agreement as a subaward or a procurement contract. If needed, use this section to provide an explanation about the determination made.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_

*Submit form to the VSC Office of Sponsored Projects.*

**Office of Sponsored Projects Review**

Agree  Disagree Comments: \_\_\_\_\_

Reviewed by: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_